GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3280
ANSWERED ON:04.08.2017
Exemption of Khadi Products from GST
Mullappally Shri Ramachandran

Will the Minister of FINANCE be pleased to state:

(a) whether the Government considers exempting Khadi products from Goods and Services Tax (GST); and

(b) if so, the details thereof and decision taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) and (b):The GST council in its 15th meeting held on 03.06.2017 discussed the GST rate structure for the textile sector and recommended the following rate structure:-
(a) Nil GST on Khadi Yarn,
(b) 5% GST on Fabrics including Khadi fabrics, and
(c) 5% GST on garments and other made up textile articles of sale value not exceeding Rs. 1000 per piece and 12 % GST on garments and other made up textile articles of sale value exceeding Rs. 1000 per piece (including garments and made up textile articles of Khadi).
Accordingly, the GST rates have been notified for Khadi yarn and other textile products (including khadi products) vide various notifications dated 28/06/2017.
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